GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:1782
ANSWERED ON:14.03.2002
REFORM AND RESTRUCTURING IN POWER SECTOR
GOWDAR MALLIKARJUNAPPA;K.H. MUNIYAPPA;N.N. KRISHNADAS;PUTTASWAMY GOWDA

Will the Minister of POWER be pleased to state:

(a) whether the Union Government have signed memorandum of Agreement with State Governments particularly with Government of Karnataka regarding reform and restructuring on power sector reforms;

(b) if so, the details thereof, state-wise;

(c) whether the Government have taken any decision on the allocation of balance 100 MWs of additional power to the State of Karnataka in view of acute shortage of power;

(d) if so, the details thereof;

(e) if not, the reasons therefor;

(f) whether the Government of Karnataka has entered into an agreement with Orissa for purchasing of power; and

(g) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER(SHRIMATI JAYAWANTI MEHTA)

(a) : Yes, Sir.

(b) : Ministry of Power, Government of India and Government of Karnataka havesigned a Memorandum of Agreement (MoA) on 12.2.2000 for reforms and restructuring of the power sector in Karnataka State. In the MOA, Government of Karnatakacommitted to unbundling of the transmission and distribution functions, privatisation of distribution by December, 2001, undertaking energy audit and providing full support to State Electricity Regulatory Commission while Ministry of Power assured to Governmentof Karnataka to provide following support which, inter alia includes to allocate an additional 180 MW from unallocated quota of NTPC/NLC, strengthen and improve the transmission network and enable supply of additional power to Karnataka, provide technical and financial assistance for reduction in T&D losses, provide financial assistance through REC for 100% electrification of villages and hamlets.

Besides Karnataka, the Government of India has signed Memoranda ofUnderstanding (MOUs) with 19 States.The MOUs are a joint commitment of the Centre and the States to undertake reforms in a time bound manner. The State Governmentscommitment in these MOUs include setting up of the State Electricity RegulatoryCommission, 100% metering of 11 KV feeders and all consumers, energy audit, reduction of technical and commercial losses, achievement of commercial viability in distribution etc. Government of India has committed its support through additional allocation of power from Central Generating Stations and financial assistance through Accelerated Power Development Programme (APDP) for strengthening of sub- transmission and distribution as well as for renovation and modernisation of thermal and hydel power plants. 12 State Electricity Regulatory Commissions have passed tariffforders which reflect a trend towards tariff rationalisation.

(c) to (e) : Allocation of 80 MW from unallocated quota of Neyveli TS-II has alreadybeen made to Karnataka. Transfer of 100 MW power from Eastern Region to Karnataka was not found feasible due to system constraint.

(f) & (g) : Yes, Sir. GRIDCO (Orissa) has entered into a bilateral agreement withKarnataka Power Transmission Corporation Ltd. (KPTCL) for sale of 100 MW out of itsown sources at the rate of 235 paise per unit all inclusive, at ex-Jeypore/Budhipadar busof GRIDCO w.e.f. 10.1.2002.However, due to transmission constraints, the transfer of additional power to Karnataka could be possible only after reactive drawal is reduced by Karnataka and certain critical transmission lines in Andhra Pradesh systems are commissioned.